

recognition) line of the check. *See Rule 1.15-3(a)*. NACHA rules state that a check is ineligible for ACH conversion if the check contains the "Auxiliary On-Us" field, which is an additional field that appears to the left of the bank's routing number in the MICR line (to accommodate the field, the check must be longer than six inches). Most unauthorized ACH conversions of trust account checks will be prevented by the required use of business-size checks for all trust accounts. *[For more information on business checks and the "Auxiliary On-Us" field, see Section III, "Trust Accounting Basics."]*

Unauthorized ACH conversions may occur, on occasion, despite the use of the larger business-size checks. Therefore, the trust accounting rules include the requirement that the balance of a general trust account, as shown on the lawyer's records, must be reconciled on a monthly basis with the current bank statement balance. *See Rule 1.15-3(e)*. In addition to being a sound financial practice, monthly reconciliation to the bank statement helps to insure that unauthorized ACH conversions recorded on the bank statement are discovered at a time when the lawyer may remember the disbursement and still be able to obtain the check from the bank.

ACH transactions, as a direct payment from a trust account, may be demanded by clients or third parties (e.g., the registrar of deeds or clerk of court) to increase the efficiency of the collection and return process. For this reason, the rules do not prohibit authorized ACH transactions initiated by the lawyer. However, the record keeping requirements are expanded for all authorizations to transfer or disburse funds from a trust account by requiring a lawyer to retain the following:

all instructions or authorizations to transfer, disburse, or withdraw funds from the trust account (including electronic transfers or debits), or a written or electronic record of any such transfer, disbursement or withdrawal showing the amount, date, and recipient of the transfer or disbursement, and, in the case of a general trust account, also showing the name of the client or other person to whom the funds belong. *See Rule 1.15-3(b)(3)*.